

Message Text

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PAGE 01 CANBER 03112 161921Z

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UNCLAS CANBERRA 3112

FOR ROBERT KELLY, OIM, COMMERCE

E.O. 11652: N/A

TAGS: BGEN, ETRD, AS

SUBJ: COMMERCE ANTI-RECESSION EXPORT CAMPAIGN

REF: (A) STATE A-2778

(B) CANBERRA 2729

(C) CANBERRA 2695

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(E) CANBERRA 2623

(F) CANBERRA 2590

1. SUMMARY: BASED ON INITIAL ASSESSMENT, MISSION DOES NOT SEE OUTSTANDING IMMEDIATE PROMOTIONAL OPPORTUNITIES FOR EXPORTS TO AUSTRALIA OF U.S. PRODUCT LINES IDENTIFIED REF A EXCEPT FOR LINES ALREADY BEING PROMOTED. ELEVEN OF 36 LINES RECENTLY SUBJECT TO GOA IMPORT RESTRAINTS, AND FURTHER RESTRAINTS STILL LIKELY SHOULD IMPORTS SURGE. AUST. ECONOMIC PROBLEMS PARALLEL THOSE OF U.S. MORE TIME AND STUDY REQUIRED FOR MORE DETAILED ASSESSMENT. END SUMMARY.

2. REF (A) RECEIVED HERE MAY 15, WELL AFTER MAY 9 REPORTING DEADLINE. FOLLOWING IS EMBASSY'S INITIAL ASSESSMENT OF SHORT AND MEDIUM TERM POTENTIAL FOR ADDITIONAL AUSTRALIAN IMPORTS OF U.S. PRODUCTS LISTED UNCLASSIFIED

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PAGE 02 CANBER 03112 161921Z

PAGE 7 REF A. MORE TIME AND STUDY WILL BE REQUIRED TO

PROVIDE MORE DETAILED ASSESSMENT.

3. AS DEPARTMENT WELL AWARE, SIGNIFICANT REVERSAL OF GOA'S PREVIOUS MOVEMENT TOWARD TRADE LIBERALIZATION HAS OCCURRED IN RECENT MONTHS. RESTRICTIVE MEASURES TAKEN SINCE JULY, 1974 INCLUDE BILATERAL EXPORT RESTRAINTS, TARIFF QUOTAS, QUOTA RESTRICTIONS AND INCREASED TARIFF RATES. REFTELS B,C, D, E AND F REPORT THESE DEVELOPMENTS IN DETAIL. GOA RESTRICTIONS AFFECT TO SOME DEGREE AT LEAST ELEVEN (RADIO/TV EQUIPMENT; ELECTRONIC COMPONENTS; TEXTILE MACHINERY; HH LAUNDRY EQUIP; HH REFRIGERATORS AND FREEZERS; TOYS, ETC.; OPTICAL/OPHTHALMIC GOODS: TEXTILES AND CLOTHING; MEN/BOYS'S WEAR; WOMEN/MISSES' WEAR; CHILDREN'S EAR) OF 36 PRODUCT LINES MENTIONED REF A. MOREOVER, CURRENT AUSTRALIAN ECONOMIC SITUATION, WITH HIGHEST RATE OF UNEMPLOYMENT SINCE GOA BEGAN KEEPING SUCH STATISTICS AFTER WWII, PARALLELS U.S. RECESSION. POSSIBILITY OF FURTHER GOA RESTRICTIONS IN ADDITIONAL PRODUCT CATEGORIES AS REACTION TO ANY FUTURE IMPORT SURGES REMAINS VERY REAL DESPITE RECENT REMONSTRANCES BY USG AND OTHERS. ON THE OTHER HAND, PROSPECTS FOR U.S. EXPORTS TO AUSTRALIA OF SOME OF THE IDENTIFIED PRODUCT LINES SHOULD BRIGHTEN WHEN EMPLOYMENT, CONSUMER DEMAND AND BUSINESS INVESTMENT RECOVER HERE, PARTICULARLY SINCE AUSTRALIA'S INFLATION RATE IS LIKELY TO REMAIN HIGHER THAN THE U.S. RATE. UNFORTUNATELY, CONCRETE SIGNS OF AN AUSTRALIAN RECOVERY ARE NOT YET EVIDENT.

4. OF THE 25 PRODUCT LINES MENTIONED IN REF A NOT SUBJECT TO RECENT GOA IMPORT RESTRAINTS, WE DO NOT AT THIS STAGE (FOLLOWING ONLY PRELIMINARY ASSESSMENT) SEE ANY OUTSTANDING PROMOTIONAL OPPORTUNITIES EXCEPT FOR THOSE LINES ALREADY COVERED BY THE COUNTRY COMMERCIAL PROGRAM. AS WASHINGTON KNOWS, FY1976 CCP FOR AUSTRALIA ENVISIONS FIVE CAMPAIGNS, THREE OF WHICH (AGRICULTURAL EQUIP.; METALWORKING AND FINISHING MACHINERY EQUIP.; INDUSTRIAL SCIENTIFIC INSTRUMENTS) WILL ACTIVELY PROMOTE SEVERAL PRODUCT LINES MENTIONED REF A (I.E. METALWORKING MACHINES AND MACHINE TOOLS, METAL STAMPINGS, FARM MACHINERY, FARM WHEEL TRACTORS, SELF-PROPELLED TRACTORS, AND CHEMICAL UNCLASSIFIED

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PAGE 03 CANBER 03112 161921Z

PROCESSING MACHINERY). USTC SYDNEY PLANS SEVERAL EVENTS IN FORESEEABLE FUTURE WHICH WILL ALSO SUPPORT CERTAIN OF THESE LINES: TWO METALWORKING AND FINISHING EXHIBITIONS (JUNE 30-JULY 4, 1975, AND JUNE 28-JULY 2, 1976); A 3-DAY WORKSHOP/SEMINAR ON METALWORKING AND FINISHING EQUIPMENT (NOVEMBER, 1975); ELECTRONIC COMPONENTS EXHIBITION (APRIL, 1976); AND CHEMICAL AND PETROCHEMICAL PROCESSING EQUIPMENT EXHIBITION (MARCH, 1977).

5. MISSION WILL ATTEMPT TO IDENTIFY OTHER PRODUCT LINES OF RECESSION-HIT U.S. INDUSTRIES WHERE ADDITIONAL PROMOTION MIGHT BE EXPECTED TO RESULT IN SIGNIFICANT U.S. EXPORT INCREASE. HOWEVER, IN LIGHT OF LIMITED RESOURCES ALREADY AVAILABLE FOR EXISTING CCP AND ABSENCE OF ADDITIONAL RESOURCES FOR ANTI-RECESSION EXPORT CAMPAIGN, PROSPECTS OF SIZEABLE ADDITIONAL EXPORTS IN IDENTIFIED PRODUCT LINES ARE NOT BRIGHT GIVEN LOCAL FACTORS OUTLINED PARA 3. GREEN

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